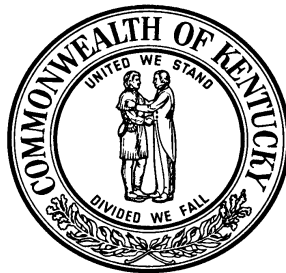


**REPORT OF THE AUDIT OF THE
JESSAMINE COUNTY
SHERIFF'S SETTLEMENT - 2009 TAXES**

**For The Period
April 25, 2009 Through April 15, 2010**



**CRIT LUALLEN
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EXECUTIVE SUMMARY

**AUDIT EXAMINATION OF THE
JESSAMINE COUNTY
SHERIFF'S SETTLEMENT - 2009 TAXES**

**For The Period
April 25, 2009 Through April 15, 2010**

The Auditor of Public Accounts has completed the audit of the Sheriff's Settlement - 2009 Taxes for Jessamine County Sheriff for the period April 25, 2009 through April 15, 2010. We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects.

Financial Condition:

The Sheriff collected taxes of \$31,653,064 for the districts for 2009 taxes, retaining commissions of \$741,431 to operate the Sheriff's office. The Sheriff distributed taxes of \$30,819,951 to the districts for 2009 taxes.

Report Comments:

- 2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of Tax Penalties And Fees
- 2009-02 The Sheriff Should Deposit All Funds Received On A Daily Basis

Deposits:

The Sheriff's deposits were insured and collateralized by bank securities.

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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Steven L. Beshear, Governor

Lori H. Flanery, Secretary

Finance and Administration Cabinet

Honorable Neal Cassity, Jessamine County Judge/Executive

Honorable Kevin Corman, Jessamine County Sheriff

Members of the Jessamine County Fiscal Court

Independent Auditor's Report

We have audited the Jessamine County Sheriff's Settlement - 2009 Taxes for the period April 25, 2009 through April 15, 2010. This tax settlement is the responsibility of the Jessamine County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Sheriff's Tax Settlements issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Sheriff's office prepares the financial statement in accordance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the Jessamine County Sheriff's taxes charged, credited, and paid for the period April 25, 2009 through April 15, 2010, in conformity with the modified cash basis of accounting.



To the People of Kentucky
Honorable Steven L. Beshear, Governor
Lori H. Flanery, Secretary
Finance and Administration Cabinet
Honorable Neal Cassity, Jessamine County Judge/Executive
Honorable Kevin Corman, Jessamine County Sheriff
Members of the Jessamine County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2011 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Based on the results of our audit, we present the accompanying comments and recommendations, included herein, which discusses the following report comments:

- 2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of Tax Penalties And Fees
- 2009-02 The Sheriff Should Deposit All Funds Received On A Daily Basis

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

February 2, 2011

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
SHERIFF'S SETTLEMENT - 2009 TAXES

For The Period April 25, 2009 Through April 15, 2010

<u>Charges</u>	<u>County Taxes</u>	<u>Special Taxing Districts</u>	<u>School Taxes</u>	<u>State Taxes</u>
Real Estate	\$ 2,103,426	\$ 3,639,233	\$ 20,081,147	\$ 4,009,656
Tangible Personal Property	278,983	417,862	1,065,366	615,757
Increases Through Exonerations	250	368	957	222
Franchise Taxes	155,454	212,447	732,417	
Distilled Spirits Taxes	31,093	43,666	118,735	
Additional Billings	63	106	296	625
Limestone, Sand and Mineral Reserves	244	492	2,333	466
Bank Franchises	72,978			
Penalties	11,948	20,914	109,263	22,913
Adjusted to Sheriff's Receipt	(3)	13	(2)	11
Gross Chargeable to Sheriff	<u>2,654,436</u>	<u>4,335,101</u>	<u>22,110,512</u>	<u>4,649,650</u>
<u>Credits</u>				
Exonerations	1,837	2,562	15,837	3,289
Discounts	41,347	67,967	349,562	75,046
Delinquents:				
Real Estate	81,960	128,412	782,462	156,236
Tangible Personal Property	2,525	2,921	9,643	6,850
Franchise Taxes	54,060	75,521	238,598	
Total Credits	<u>181,729</u>	<u>277,383</u>	<u>1,396,102</u>	<u>241,421</u>
Taxes Collected	2,472,707	4,057,718	20,714,410	4,408,229
Less: Commissions *	<u>105,090</u>	<u>138,275</u>	<u>310,716</u>	<u>187,350</u>
Taxes Due	2,367,617	3,919,443	20,403,694	4,220,879
Taxes Paid	2,355,496	3,905,472	20,343,411	4,215,572
Refunds (Current and Prior Year)	<u>12,121</u>	<u>13,971</u>	<u>60,283</u>	<u>5,307</u>
Due at Completion of Audit	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

* See Next Page.

The accompanying notes are an integral part of this financial statement.

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
SHERIFF'S SETTLEMENT - 2009 TAXES
For The Period April 25, 2009 Through April 15, 2010
(Continued)

* Commissions:

4.25% on	\$	9,887,031
1.5% on	\$	20,714,410
1% on	\$	1,051,623

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT

April 15, 2010

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

The Sheriff's office tax collection duties are limited to acting as an agent for assessed property owners and taxing districts. A fund is used to account for the collection and distribution of taxes. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting. Basis of accounting refers to when charges, credits, and taxes paid are reported in the settlement statement. It relates to the timing of measurements regardless of the measurement focus.

Charges are sources of revenue which are recognized in the tax period in which they become available and measurable. Credits are reductions of revenue which are recognized when there is proper authorization. Taxes paid are uses of revenue which are recognized when distributions are made to the taxing districts and others.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Deposits

The Jessamine County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1) (d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENT
April 15, 2010
(Continued)

Note 2. Deposits (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the Sheriff's deposits may not be returned. The Jessamine County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of April 15, 2010, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Tax Collection Period

The real and personal property tax assessments were levied as of January 1, 2009. Property taxes were billed to finance governmental services for the year ended June 30, 2010. Liens are effective when the tax bills become delinquent. The collection period for these assessments was October 31, 2009 through April 15, 2010.

Note 4. Interest Income

The Jessamine County Sheriff earned \$2,962 as interest income on 2009 taxes. The Sheriff distributed the appropriate amount to the school district as required by statute, and the remainder was used to operate the Sheriff's office.

Note 5. Sheriff's 10% Add-On Fee

The Jessamine County Sheriff collected \$142,256 of 10% add-on fees allowed by KRS 134.119(7). This amount was used to operate the Sheriff's office.

Note 6. Unrefundable Duplicate Payments And Unexplained Receipts

The Sheriff deposited unrefundable duplicate payments and unexplained receipts in an interest-bearing account. The Sheriff's escrowed amounts for 2009 was \$1,375.

KRS 393.090 states that after three years, if the funds have not been claimed, they are presumed abandoned and abandoned funds are required to be sent to the Kentucky State Treasurer by KRS 393.110.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Neal Cassity, Jessamine County Judge/Executive
Honorable Kevin Corman, Jessamine County Sheriff
Members of the Jessamine County Fiscal Court

Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

We have audited the Jessamine County Sheriff's Settlement - 2009 Taxes for the period April 25, 2009 through April 15, 2010, and have issued our report thereon dated February 2, 2011. The Sheriff prepares his financial statement in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jessamine County Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying comments and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying comments and recommendations as items 2009-01 and 2009-02 to be material weaknesses:



Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jessamine County Sheriff's Settlement - 2009 Taxes for the period April 25, 2009 through April 15, 2010, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying comments and recommendations as items 2009-01 and 2009-02.

The Jessamine County Sheriff's responses to the findings identified in our audit are described in the accompanying comments and recommendations. We did not audit the Sheriff's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Jessamine County Fiscal Court, and the Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

February 2, 2011

COMMENTS AND RECOMMENDATIONS

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
COMMENTS AND RECOMMENDATIONS

For The Period April 25, 2009 Through April 15, 2010

FINANCIAL STATEMENT FINDINGS:

2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of Tax Penalties And Fees

During the 2009 tax collection period, the Sheriff granted penalty waivers on 211 tax bills, for a total of \$70,869 in penalties waived. Based on the review of tax penalty waiver forms in use by the Sheriff's office during the 2009 tax year, we noted the following issues:

- Forms for 41 taxpayers (59 tax bills) were missing or unavailable (\$21,996 in penalties waived).
- 101 forms did not have the "Yes" or "No" box checked documenting if a previous waiver had been granted to the taxpayer within 5 years.
- 15 forms did not have the area filled out stating the reason for the waiver of penalty.
- 9 forms had not been signed by the taxpayer.
- 10 forms were not signed by the sheriff or an appropriate designated deputy.
- 11 forms had "No" checked when asked if a waiver had been granted in the past 5 years; however, there was at least one waiver granted since 2007. One taxpayer received a penalty waiver in 2007, 2008, and 2009.
- 12 tax bills had penalties waived back to the 2% discount period instead of face value.

Because the Sheriff lacked controls over the tax collection process in his office and did not provide appropriate oversight in this area, this situation was allowed to occur. Penalties were waived without proper authorization, there was a lack of documentation stating the reason for the waiver, and not all forms were maintained. As a result, taxpayers were not charged penalties and interest owed, which ultimately resulted in taxing districts receiving less than they otherwise would have.

KRS 134.020(5) provides Sheriffs with guidance on the tax collection schedules. This statute states, "collection dates shall allow a two percent (2%) discount for all payments made within thirty (30) calendar days of the date tax bills were mailed. Upon expiration of the time period to pay the tax bill with a discount, the face amount of the tax bill shall be due during the next thirty (30) days. If the time period to pay the face amount has lapsed, a five percent (5%) penalty shall be added to the tax bill for payments made during the next thirty (30) day period. Upon expiration of this time period, a ten percent (10%) penalty shall be added to all tax bills paid thereafter." In addition to this ten percent (10%) penalty, KRS 134.430(3) provides for an additional ten percent (10%) Sheriff's add-on fee for all bills collected from the time the ten percent (10%) penalty becomes applicable bringing the total penalty to twenty one percent (21%).

In addition, KRS 134.440(2) and KRS 424.330(1) require that additional Sheriff's fees be added to the delinquent tax bills.

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Period April 25, 2009 Through April 15, 2010
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of
Tax Penalties And Fees (Continued)

The Department of Revenue has prepared guidelines stating that reasonable cause as provided for in KRS 131.175 should be used for the waiver of penalties and fees. Under these guidelines, when a tax bill is payable to the Sheriff's office, the Sheriff may waive the penalties that have been added whenever reasonable cause has been demonstrated but has no authority to allow taxpayers to pay their tax bills at the two percent (2%) discount rate after the discount period has ended unless the taxpayer can prove that they attempted to pay the bill during the discount period but for some reason the payment was returned. The authority to waive or reduce penalties and fees applies to both the five percent (5%) or ten percent (10%) delinquent penalty and the ten percent (10%) Sheriff's add-on fee. Several circumstances demonstrating reasonable cause are set forth in Sections I and II of these guidelines. Section III of the guidelines requires that a form documenting the reasons for waivers of penalties, fees and interest be prepared and signed when such action is taken. The Guidelines state, "If a penalty on a property tax bill is waived or reduced while the Sheriff is the local official responsible for its collection, only the Sheriff or authorized deputy has to sign the form. A copy can be provided to the taxpayer if it is requested and the original should remain on file in the Sheriff's office. The Department of Property Valuation's field staff will review these forms as part of the settlement process to complete a collection cycle. These forms will also be subject to audit by the State Auditor's Office."

We recommend the Sheriff immediately implement controls over the tax collection process in his office. We also recommend the Sheriff follow the guidelines as established by KRS 131.175 by completing and maintaining the forms to document waiver of penalty and reduction of interest and fees. In addition, we recommend the Sheriff not allow taxpayers to pay tax bills at the two percent (2%) discount amount after the discount period has ended unless they can prove that they attempted to pay during the discount period. If the Sheriff does not feel comfortable making waiver decisions, he may refer the taxpayer to the Revenue Cabinet for a determination to be made. This information will be forwarded to the Revenue Cabinet and Attorney General's Office for further review.

Sheriff's Response:

During the 2009 tax year a total of \$31,653,064.27 in taxes were collected, disbursed and accounted for properly. Therefore, no auditing adjustments (request of receipts from taxing districts or issuance of disbursements to taxing districts) were requested of the Sheriff. Your audit concluded that the accounting of the 2009 Tax season was correct and proper with the exception of a perceived lack of documentation of a small fraction of the waivers granted. Simply looking at the list of properties for which waivers were granted doesn't give a true picture of what is happening and why. For example, if Mr. John Doe requests a waiver on the property tax owed on his fully developed property which has 70 unsold lots, the list will show that 70 waivers were granted because separate tax bills are issued for each lot. This helps to explain the increase in waivers granted over the last few years. While the waiver process is not perfect and has room for

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Period April 25, 2009 Through April 15, 2010
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of
Tax Penalties And Fees (Continued)

Sheriff's Response (continued):

improvement, we believe that our unbiased approach eliminates problems that would occur if waivers were granted or denied on an individual basis.

Never-the-less, in order to eliminate any perceived problems, we have already implemented internal controls to ensure that all waiver forms are filled out completely and copies are attached to each of the bills included in a particular request. Further, if the request is questionable in any way then a documented review by Revenue Cabinet staff will be obtained before the waiver is granted. To ensure that taxpayers do not take advantage of the Sheriff's discretionary powers regarding forgiveness of property tax interest and penalties, we will immediately institute a system to annually track the granting of such forgiveness.

You commented that Jessamine County's taxing districts received less money because of waivers. That is not true because the essential reason for granting a waiver of penalties and fees is that the taxpayer while unable to pay the entire amount, is able and willing to pay the actual amount of taxes due. Therefore, the taxing districts receive 100% of the actual tax bill, rather than nothing. We believe that it is good business to collect 100% of the tax bill in comparison to not having collected any because of fees and penalties. Waiving penalties in order to collect the actual tax due follows the same philosophy of providing for a 2% discount to encourage early payment of property taxes.

Following are the Sheriff's responses to your comments in the order made.

Penalty Waivers

During the 2009 tax year, a total of 211 penalty waivers were granted waiving penalties and late fees, totaling \$70,869. This total consisted of \$33,730.81 in penalties of 5% and 10% and \$37,138.19 in 10% Sheriff's add-on fees waived. Granting these waivers resulted in the collection of \$361,078.80, rather than nothing, which would have been the case if no waivers had been granted. Remember that the Sheriff waived more of his own fees, than penalties. There were several issues raised concerning the issuance of waivers, including:

- Documentation*
- Previous Waivers*
- Signatures*
- Late acceptance of 2% discount*

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Period April 25, 2009 Through April 15, 2010
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of
Tax Penalties And Fees (Continued)

Sheriff's Response (continued):

Documentation

This issue pertains to waiver requests that were not completed in their entirety and forms that were missing or unavailable. All waivers were granted appropriately and we believe that the vast majority of the incomplete waivers were granted based on conversations without follow-up documentation or covered by requests concerning multiple properties. As mentioned earlier in this response, we have already implemented internal controls to ensure that all waiver forms are filled out completely and copies are attached to each of the bills included in a particular request. As advised and recommended by the APA, the proper procedures for waiver of penalties and fees will be followed as required by statute and the Department of Revenue Guidelines.

Previous Waivers

The Commonwealth's current standard form for Waiver of Property Tax Penalties was sent to all Kentucky Sheriffs, County Attorneys, County Clerks and County Property Evaluation Administrators under a Memorandum from David Gorton, Executive Director, Office of Property Evaluation, Kentucky Department of Revenue on 12 November 2009. Because that memorandum made no mention of an effective date for the new form, we believe that it could have been used immediately for applications for the waiver of property tax penalties and fees. Since the new form doesn't require any disclosure of previous waivers granted, that issue should be considered irrelevant. However, on several occasions we contacted Mr. Tom Crawford at the Department of Revenue regarding issuing waivers more than once in the last 5 years.

Signatures

Neither the new form nor its predecessor requires the signature of the taxpayer, so that issue should be considered irrelevant. However, the Jessamine County Sheriff's Office added the block for the taxpayer's signature a number of years ago to ensure that the taxpayer had personally verified the reason for the requested waiver of penalties. We intend to continue that practice for our Office's internal control. However, the taxpayer signature is not relevant to the Department of Revenue. The internal controls discussed previously concerning ensuring that all forms are complete should prevent the inadvertent omission of the Sheriff's signature or that of his authorized representative.

JESSAMINE COUNTY
KEVIN CORMAN, SHERIFF
COMMENTS AND RECOMMENDATIONS
For The Period April 25, 2009 Through April 15, 2010
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2009-01 The Sheriff Should Improve Controls And Documentation Procedures For Waivers Of
Tax Penalties And Fees (Continued)

Sheriff's Response (continued):

Late acceptance of 2% discount

Acceptance of the 2% discount for timely payment of property taxes during the month of December is specifically allowed provided that the Sheriff is satisfied that the taxpayer actually attempted to pay prior to December 1st. In the 12 bills cited by the Auditor, the Sheriff determined that the failure to pay prior to December 1st was due to innocent oversight by the taxpayer and Sheriff's Office Staff. That is, the taxpayer asked staff for the total owed for multiple tax bills and paid that amount, as determined by staff, prior to December 1st. Unfortunately, in the cases cited, some properties were not included because of some variation in the names on the bills. In any case, the discounts amounted to only \$465.68.

2009-02 The Sheriff Should Deposit All Funds Received On A Daily Basis

During the testing of daily receipts, we noted an 8 day delay for one daily deposit. On December 11, 2009, a total of 8 daily deposits dated from 12/2 through 12/10/2009 were processed at the bank. The total deposit for that day was \$ 192,493.72. Under the authority of KRS 68.210, the Department for Local Government (DLG) has established requirements for all local government officials handling public funds. These requirements include "daily deposits intact into a federally insured banking institution". The records showed that deposits were not made on certain days and multiple deposits were made on others. Technical Audit Bulletin 93-002, Section 3 requires the Sheriff "to deposit all public funds received into an official bank account on a daily basis." By not properly depositing monies received by the office, this could result in loss of receipts or misplaced monies. We recommend the Sheriff adhere to the requirements of KRS 68.210 by depositing all public funds received into an official account on a daily basis.

Sheriff's Response:

The delay of depositing funds in a timely manner was due to the absence of the bookkeeper during the period in question. As recommended by the APA, depositing of public funds on a daily basis will be adhered to as required by the Technical Audit Bulletin 93-002.

